

Kellam, Celestine - BALTO

From: Taylor IV, William - BALTO
Sent: Thursday, February 28, 2002 2:37 PM
To: Kellam, Celestine - BALTO
Subject: FW: Project Chesapeake

Importance: High

-----Original Message-----

From: Taylor IV, William - BALTO
Sent: Friday, November 16, 2001 5:16 PM
To: 'thomas.geiser@wellpoint.com'; 'robert.kelly@wellpoint.com'; 'robert.giaser@wellpoint.com'; 'g_horowitz@stblaw.com'
Cc: 'david.wolf@carefirst.com'; 'John_Piccio@carefirst.com'; 'sandy.beard@carefirst.com'; 'Livio.Broccolino@carefirst.com'; 'Adams, Ben'; 'Lavine, Larry'; 'McMullan, Pat'; 'Smith, Stuart'; 'Muntner, Michael'; 'andrew.rymer@csfb.com'; 'Smith, Jay - BALTO'; 'Langhirt, Joseph - BALTO'; 'Kratz, John - BALTO'; 'Muedeking, Mark - BALTO'; 'IMN'
Subject: Project Chesapeake
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We understand that our clients have reached agreement on the final open points and attach pages from the Merger Agreement reflecting that agreement. Essentially, we have modified Section 2.6, added material change in underwriting practices to the items requiring approval of Pacific and deleted Southeast Business Region as a defined term. (It is still used in the Agreement now as an undefined term.) The language as previously provided to you reflects what we understand to be the agreed-upon procedure with respect to the indemnity and the insurance.

As far as we know, this resolves all of the open issues on the Merger Agreement. Please let us know promptly if this is not the case. In addition, we are still awaiting receipt of the Tax Indemnity Agreement. That needs to be negotiated before we can approve the transaction. Our first board meeting is Monday morning.

We have a few minor comments on the Note and will send that to you shortly. I doubt that they will be problematic.

Pages of Merger Agreement:



@CRVRED.DOC

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